



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

MAY 03 2004

The Honorable Duncan Hunter  
Chairman  
Committee on Armed Services  
U.S. House of Representatives  
Washington, DC 20515-0552

Dear Mr. Chairman:

As requested in the Report of the Committee of Conference accompanying the Military Construction Appropriations Act, 1999 (House Report 105-647), enclosed provides an update on planned family housing privatization projects. The report outlines the status of the Department's housing privatization efforts as of first quarter of FY 2004 (October 1, 2003 – December 31, 2003--updated as of April 2004). As detailed in the report, the Services have awarded 29 projects, have over 40 projects either in solicitation or are pending solicitation, and have over 20 projects in the planning stage. This quarterly report includes 17 new projects (5 Air Force; 6 Navy; 6 Marines). In addition, as requested in the Report of the Committee of Conference accompanying the Military Construction Appropriations Act, 2001 (House Report 106-710), this report also provides information on the funds expended by each Service and the Office of the Secretary of Defense on contractor support as of December 31, 2003 including post-award portfolio management. This information is listed by project. Contractor costs not related to specific projects are reported under, other consultant costs, by each Service.

A similar letter is being provided to the other congressional defense committees and subcommittees.

Sincerely,

Philip W. Grone  
Principal Assistant Deputy Under Secretary of Defense  
(Installations and Environment)

Enclosure:  
As stated

cc:  
The Honorable Ike Skelton  
Ranking Member



**Military Housing Privatization Initiative**  
**Housing Privatization Report to Congress**  
December 2003 Quarterly Report (project dates -- updated as of April 2004)

<b>ARMY FAMILY HOUSING PRIVATIZATION</b>					
Installation	Scope (*)	Notify Congress of Solicitation	Notify Congress of Selection	Notify Congress of Deal Closing/Army Transition Data	Consultant Costs as of 12/31/03(\$M)(1)
Ft Carson, CO	2,683	Sep-96	Sep-99	Sep-99	\$3.41
Ft Hood, TX	5,912	Dec-98	**Jan-00	***Apr-01	\$3.12
Ft Lewis, WA	3,982	Nov-99	**Jul-00	***Oct-01	\$2.61
Ft Meade, MD	3,170	Mar-00	**Aug-00	***Dec-01	\$2.61
Ft Bragg, NC	5,578	Jul-01	**Mar-02	***Mar-03/Aug-03	\$1.53
Ft Stewart/Hunter, GA	3,702	Jul-01	**Oct-02	***Jul-03/Nov-03	\$1.54
Ft Campbell, KY	4,255	Jul-01	**May-02	***Aug-03/Dec-03	\$1.55
Presidio & NPS Monterey, CA	2,209	Sep-01	**Apr-02	***Jun-03/Oct-03	\$1.25
Ft. Belvoir, VA	2,070	Nov-01	**Jul-02	***Sep-03/Dec-03	\$1.45
Ft. Irwin/Moffett Fld/Camp Parks, CA	2,806	Sep-01	**Jul-02	***Dec-03/Mar-03	\$1.48
<b>Total Project Awards</b>	<b>36,347</b>				
<b>Office of the Secretary of Defense (OSD) Approved Projects</b>					
Ft. Polk, LA (1)****	3,641	Jul-01	**Feb-03	***May-04	\$1.33
Ft. Hamilton, NY (1)****	228	Nov-01	**Apr-03	***Dec-03	\$1.26
Walter Reed Med Ctr, DC/Ft Detrick, MD****	963	Nov-01	**Feb-03	***Mar-04	\$0.70
Ft. Eustis/Story(1)****	1,124	Nov-01	**Nov-02	***May-04	\$1.44
Ft. Shafter/Schofield Barracks, HI (1)****	7,364	Aug-02	**Jun-03	***Jun-04	\$0.83
Ft. Leonard Wood, MO (1)****	2,472	Jan-03	**Sep-03	***Jul-04	\$0.46
Ft. Sam Houston, TX (1)****	926	Jan-03	**Dec-03	***Nov-04	\$0.33
Ft. Bliss, TX (1)****	2,776	Jan-03	**Mar-04	***Jan-05	\$0.33
Ft. Drum, NY (1)	2,272	Apr-03	**Dec-03	***Oct-04	\$0.33
Picatinny Arsenal, NJ * (1)****	116	Apr-03	**Mar-04	***Nov-04	\$0.15
Carlisle Barracks, PA * (1)****	316	Apr-03	**Mar-04	***Nov-04	\$0.18
Fort Monmouth, NJ * (1)****	623	Apr-03	**Mar-04	***Nov-04	\$0.29
Ft. Benning, GA (1)	4,055	Jan-04	**Oct-04	***Sep-05	\$0.30
Ft. Gordon, GA (1)	872	Jan-04	**Apr-05	***Apr-06	\$0.32
Ft. Rucker, AL (1)	1,516	Jan-04	**Jan-05	***Dec-05	\$0.00
Ft. Knox, KY	3,380	Jan-04	**Nov-04	***Dec-05	\$0.00
Redstone Arsenal, AL (1)	503	Mar-04	**Jun-05	***Jun-06	\$0.15
Ft. Leavenworth, KS	1,580	Mar-04	**Mar-05	***Feb-06	\$0.00
<b>Projects Subject to OSD Approval</b>					
Other Consultant Program Costs and Portfolio Management (Army) (2):					\$14.17
<b>Total:</b>					<b>\$43.12</b>
<b>AIR FORCE FAMILY HOUSING PRIVATIZATION</b>					
Installation	Scope (*)	Notify Congress Solicitation	Notify Congress Selection	Notify Congress of Deal Closing/Project Award	Consultant Costs as of 12/31/03 (\$M)(1)
Lackland AFB, TX	420	Sep-96	May-98	Aug-98	\$1.78
Robins AFB, GA	670	Oct-98	Jun-00	Sep-00	\$2.00
Dyess AFB, TX	402	Jun-99	Aug-00	Sep-00	\$0.76
Elmendorf AFB, AK	828	Jan-00	Aug-00	Mar-01	\$1.88
Kirtland AFB, NM	1,078	Aug-00	Dec-02	Apr-03	\$1.61
Wright-Patterson AFB, OH	1,536	Feb-01	May-02	Aug-02	\$1.03
Patrick AFB, FL	552	Mar-01	Feb-03	Sep-03	\$1.06
Moody AFB, GA	606	Nov-02	Dec-03	Mar-04	\$0.56
<b>Total Project Awards</b>	<b>6,092</b>				
<b>Office of the Secretary of Defense (OSD) Approved Projects</b>					
Hickam AFB, HI	1,356	Mar-02	Jul-03	Oct-03	\$0.91
Little Rock AFB, AR	1,200	Apr-02	Sep-03	Dec-03	\$0.70
Offutt AFB, NE	2,255	May-03	Jan-04	Mar-04	\$0.44
Cannon AFB, NM	1,246	May-03	Mar-04	May-04	\$0.51
Buckley AFB, CO	351	Jun-03	Nov-03	Jan-04	\$0.57
Beale AFB, CA	1,344	Jun-03	Jan-04	Apr-04	\$0.58
Shaw AFB, SC	1,491	Jun-03	Dec-03	Apr-04	\$0.61
Hanscom AFB, MA	784	Jul-03	Apr-04	Jan-04	\$0.48
Hill AFB, UT	1,018	Jul-03	May-04	Jul-04	\$0.34
Nellis AFB, NV	1,178	Aug-03	Jun-04	Aug-04	\$0.53
Langley AFB, VA	1,480	Sep-03	Jun-04	Mar-05	\$0.46
Elmendorf AFB, AK (Phase II)	1,194	Nov-03	Jul-04	Nov-04	\$0.37
Wright-Patterson, OH (Phase II)	496	Nov-03	Jan-04	Jul-04	\$0.00
Dover AFB, DE	980	Dec-03	Oct-04	Nov-04	\$0.33
Eglin/Hurlburt AFB, FL	2,155	Mar-04	Nov-04	Mar-05	\$0.31
McGuire AFB/Ft Dix, NJ	2,592	Apr-04	Feb-05	May-05	\$0.36
Altus AFB, OK	726	May-04	Jan-05	Mar-05	\$0.35
Tinker AFB, OK	858	Jun-04	Jan-05	Apr-05	\$0.27
Sheppard AFB, TX	910	Jun-04	Jan-05	Apr-05	\$0.17
Luke AFB, AZ	426	Jun-04	Jan-05	Apr-05	\$0.16
Scott AFB, IL	1,593	Jun-05	Jan-06	Mar-06	\$0.08

**Military Housing Privatization Initiative  
Housing Privatization Report to Congress  
December 2003 Quarterly Report (project dates -- updated as of April 2004)**

<b>AIR FORCE FAMILY HOUSING PRIVATIZATION</b>					
Installation	Scope (*)	Notify Congress Solicitation	Notify Congress Selection	Notify Congress of Deal Closing/Project Award	Consultant Costs as of 12/31/03 (\$M)(1)
<b>Projects Subject to OSD Approval</b>					
Maxwell AFB, AL	808	Nov-03	Oct-04	Dec-04	\$0.38
F.E. Warren AFB, WY	457	Nov-03	May-04	Oct-05	\$0.36
Lackland AFB (II), TX	643	Mar-04	Dec-04	Mar-05	\$0.35
McChord AFB, WA	380	Jun-04	Jan-05	Apr-05	\$0.00
Barksdale, AFB, LA	1,090	Sep-04	Jun-06	Sep-06	\$0.15
Holloman AFB, NM	1,506	Jun-05	Jan-06	Mar-06	\$0.15
Travis AFB, CA	1,179	Jun-05	Jan-06	Mar-06	\$0.10
Keesler AFB, MS	1,682	Jun-05	Jan-06	Mar-06	\$0.08
Columbus AFB, MS	346	Jun-05	Jan-06	Mar-06	\$0.00
Other Consultant Program Costs and Portfolio Management (Air Force) (2):					\$2.80
<b>Total:</b>					<b>\$22.78</b>
<b>NAVY FAMILY HOUSING PRIVATIZATION</b>					
Installation	Scope (*)	Notify Congress Solicitation	Notify Congress Selection	Notify Congress of Deal Closing/Project Award	Consultant Costs as of 12/31/03 (\$M)(1)
NAS Corpus Christi/NAS Kingsville, TX	404		May-96	Jul-96	\$0.21
NS Everett, WA	185		Oct-96	Mar-97	\$0.26
NS Everett II, WA	288	Oct-98	Oct-00	Dec-00	\$0.42
NAS Kingsville, TX	150	Oct-98	Sep-00	Nov-00	\$0.18
NC San Diego, CA (Phase 1)	3,248	Nov-98	Apr-01	Aug-01	\$0.72
NC South Texas, TX	661	Nov-98	Oct-01	Feb-02	\$0.75
NC New Orleans, LA	941	Dec-98	Jul-01	Oct-01	\$0.78
NC San Diego, CA (Phase 2)	3,217	Aug-02	Apr-03	May-03	\$0.32
<b>Total Project Awards</b>	<b>9,094</b>				
<b>Office of the Secretary of Defense (OSD) Approved Projects</b>					
Hawaii Regional, HI (Phase 1)-Navy	1,948	Jan-03	Feb-04	Apr-04	\$0.58
Northeast Region (NY,NJ,NH,CT,RI,ME)-Navy	4,210	Jun-03	Aug-04	Oct-04	\$0.39
NorthWest Region (WA)P Phase 1-Navy	2,705	Aug-03	Sep-04	Oct-04	\$0.18
Mid-Atlantic (VA,MD,WV) - Navy	5,930	Feb-04	Jun-05	Jul-05	\$0.25
<b>Projects Subject to OSD Approval</b>					
Southeast West (TN,MS) - Navy	1,763	May-04	Jun-05	Oct-05	\$0.09
Southeast East (SC,FL,GA) - Navy	6,076	May-04	Jun-05	Oct-05	\$0.06
NC San Diego, CA (Phase 3)	2,668	May-04	Feb-05	Feb-05	\$0.04
Northeast West - Navy	2,823	May-04	Apr-05	Jun-05	\$0.01
Hawaii Regional, HI (Phase 2)-Navy	1,002	Sep-04	Sep-05	Oct-05	\$0.00
<b>Subtotal Navy</b>					<b>\$5.24</b>
<b>MARINE CORPS FAMILY HOUSING PRIVATIZATION</b>					
Installation	Scope (*)	Notify Congress Solicitation	Notify Congress Selection	Notify Congress of Deal Closing/Project Award	Consultant Costs as of 12/31/03 (\$M)(1)
MCB Camp Pendleton, CA (Phase 1)	712	Oct-98	Sep-00	Nov-00	\$0.18
MCAS Beaufort/MCD Parris Is., SC	1,718	May-01	Dec-02	Mar-03	\$0.92
MCB Cp Pendleton, CA (Ph 2)/MCB Quantico, VA	4,534	Aug-02	Jul-03	Sep-03	\$1.02
<b>Total Project Awards</b>	<b>6,964</b>				
<b>Office of the Secretary of Defense (OSD) Approved Projects</b>					
Stewart Army Subpost, NY(Cancelled 3/04)	171	Feb-00	N/A	N/A	\$0.71
MCAS Yuma, AZ/MCB Camp Pendleton, CA (Ph 3)	897	Feb-04	Aug-04	Sep-04	\$0.06
<b>Projects Subject to OSD Approval</b>					
MCSA Kansas City, MO	137	Jul-04	Jul-05	Sep-05	\$0.00
MCAGCC Twenty-nine Palms, CA	1,382	Jul-04	Jul-05	Sep-05	\$0.00
MCB Cp Lejuene/MCAS Cherry Pt, NC (Ph 1)/Stewart, NY	3,516	Apr-04	Jul-05	Sep-05	\$0.00
MCB Hawaii, HI (Phase 1)	1,377	Jul-05	Jul-06	Sep-06	\$0.00
MCB Camp Lejuene/MCAS Cherry Pt, NC (Ph 2)	838	Jul-05	Jul-06	Sep-06	\$0.00
MCB Camp Pendleton, CA (Phase 4)	4,501	Jul-05	Jul-06	Sep-06	\$0.00
<b>Subtotal USMC</b>					<b>\$0.00</b>
Other Consultant Program Costs - Portfolio Management (Navy and Marines) (2):					\$6.07
<b>Total:</b>					<b>\$14.20</b>
<b>OSD Cumulative -- Other Consultant Program cost and Portfolio Management Costs (OSD) (3):</b>					<b>\$21.12</b>
<b>Total:</b>					<b>\$101.22</b>

**Bold lettering denotes an awarded MHPI project.**

**Quarterly Report Notes:**

\* Denotes Army projects that are a part of a combined project.

\*\* 45 Day Congressional notification of intent to award Community Development and Management Plan (CDMP) (see footnote \*\*\*\*).

\*\*\*45-day Congressional notification of intent to execute CDMP.

(\*\*\*\*) Denotes Army has awarded the development of the Community Development Management Plan (CDMP) to a selected offeror (developer).

The CDMP is the Master Plan/Scope for a housing privatization project. Execution of the CDMP is generally

6 months later, and final transfer of operations to a developer generally occurs 3 months after CDMP Execution/award date.

(\*) Scope is defined as the amount of housing that will be achieved at the end state of an MHPI Project (this includes deficit buildout).

(1) Please note: this Report reflects cumulative consultant costs (both OSD and the Military Services) for the dates 6/30/03 to 12/31/03 -- this timeframe is a result of delays encountered in collecting and incorporating portfolio management costs in this report in response to GAO Report (GAO-04-111) - October 2003 "Military Housing -- Better Reporting Needed on the Status of the Privatization Program and the Costs of its Consultants" recommendation.

(2) Please note: each Military Service housing privatization function is now reporting their quarterly portfolio management costs for their awarded projects in the Quarterly report line item...entitled..."Other Consultant Program Costs - Portfolio Management".

(3) The OSD Cumulative consultant program cost line reflects cost incurred since the start of the MHPI program Feb-96 to the date of the report (12/31/03) by OSD in support of housing privatization--this is the first time we are reporting these costs.